



News Release

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Indiana receives \$3 million to pilot career advancement accounts

INDIANAPOLIS (November 1, 2006) -- The state of Indiana has received a two-year, \$3 million grant from the U.S. Department of Labor to pilot a new program providing workers with career advancement accounts. Career advancement accounts are self-managed personal accounts designed to enable current and future workers to access and fund a variety of job training and career advancement programs.

Career advancement accounts - and the reshaping of how training and education are funded through the federal government - are contained in Indiana's Strategic Economic Development Plan, *Accelerating Growth*. That plan calls for the state to work with the U.S. Department of Labor to launch personal reemployment accounts for certain unemployed workers to be used for training and educational purposes.

"The overall goal of this program is to help workers – both current and future – successfully enter, navigate and advance in the skills and jobs of the 21st century," said Andrew Penca, commissioner of the Department of Workforce Development. "This program places more training dollars directly into the hands of workers, while helping streamline our workforce delivery system. It's an important demonstration project that will help Indiana – and the nation – meet the training challenges brought on by the increased need for increased skills and competencies possessed by our workers."

"These accounts have the potential to dramatically reshape the delivery of our workforce development system in a much more positive and efficient manner," said Michael S. Maurer, president of the Indiana Economic Development Corporation. "Importantly, these self-managed accounts provide workers with an element of choice in the development of their careers."

Under the new program, workers will receive up to \$3,000 per year in their career advancement account. The accounts may be renewed for one additional year for a two-year account of up to \$6,000 per worker. Individuals would use their accounts to pay for expenses directly related to education and training at a variety of training and education providers, including community colleges, and trade and technical schools.

The state will target adult and dislocated workers and focus on jobs that are expected to be in short supply and that have better than average earnings growth. Data developed in the last two years through the Strategic Skills Initiative and the Hoosier Hot 50 Jobs process will be used to help guide the process.

To be eligible for a career advancement account, workers must complete career and WorkKeys assessments, meet with a counselor to discuss career options and interests, pursue high wage high demand employment, enroll in education and training within the two-year time frame of the account, and be responsible for making all career and education decisions. The grant will enable the establishment of career advancement accounts for 2,000 Hoosiers.

The Indiana Department of Workforce Development will receive \$1.5 million in each year of the grant and will match the federal grant for a total of \$3 million per year. Two other states -- Pennsylvania and Wyoming -- have also been selected to pilot the program. In addition, five other states will use career advancement accounts to help workers impacted by layoffs in the automotive industry.

The Department of Workforce Development is charged with continually improving the Hoosier workforce by assisting companies to create new jobs and improve employee skills. The agency offers a variety of training and educational grants, partners with Indiana's 26 WorkOne Centers, administers the unemployment insurance system, provides labor market information, assists employers with preparing workers for layoffs and closures and operates a statewide job placement service.

As a result of legislation passed by the Indiana General Assembly in 2005, the Indiana Economic Development Corporation has replaced the Department of Commerce as the premier entity charged with state economic development. The IEDC has a 12-member board chaired by Governor Mitch Daniels. Indiana Secretary of Commerce Michael S. Maurer is also president of the IEDC.